



FY2004 Revaluation Public Disclosure Period

Frequently Asked Questions

City of Boston Assessing Department

What is Revaluation?

State Law requires Massachusetts cities and towns to revalue property every three years. The City of Boston has revalued all properties - more than 133,000 parcels - for Fiscal Year 2004. The new assessments are based on an effective date of January 1, 2003. This date is used to establish the ownership, condition and occupancy of each property. The new values are indicated on the FY 2004 Assessment Notice you received.

How did you arrive at my property assessment?

State law requires that all property be assessed at its full market value. Real estate sales are collected and researched for each neighborhood. The sale of properties that are comparable in terms of style, age, size and condition form the basis of your new assessment.

Why has my property value increase so much?

In virtually all Boston neighborhoods, the market values for residential property increased steadily from January 2000 through December 2002. The unprecedented demand for housing combined with extremely low interest rates has led to a rapid increase in real estate sales prices across the City. The changes in your assessment reflect the specific market conditions in your neighborhood and within your property type during that time.

The increase in residential market values lies in stark contrast to the weakness in values within the business market particularly in downtown Boston; vacancy rates are up, commercial lease rates and hotel room rentals are down. All these factors have a direct impact on residential taxpayers.

How does the decline in business values impact my property taxes?

The City's tax levy is divided between residential and business properties using the classification formula provided in state law. The Mayor and City Council have consistently extended the maximum benefit to residential taxpayers by keeping the share of the levy paid by residential property owners at the lowest amount allowed under state law. Nevertheless, the significant increase in residential values combined with the decline in the value of business property will result in the residential property class paying a larger portion of the tax levy - with businesses paying less.

My property value has increased, how much will my taxes go up?

As a result of market trends, residential property taxes will increase. The tax bill for a single family home will increase on average \$800. However, Mayor Menino filed a bill to lessen the residential property tax increase.

Doesn't Proposition 2½ limit my property taxes?

Because of Proposition 2½, the City's total property tax levy (the amount raised from property taxes) can only increase 2.5% over last year. The provisions of Proposition 2½ apply to the overall tax levy – not an individual's tax bill.

If the City's total tax levy is only increasing by 2.5%, then why is my tax bill increasing so sharply?

While residential real estate values have increased considerably, values for business properties have not fared as well. Vacancy rates in the downtown office market have increased, commercial lease rates have declined, market for hotels room rates have declined. The resulting decline in business real estate values has a direct impact on residential taxpayers.

I disagree with my assessment, what can I do?

The Assessing Department has established this public disclosure period in order to provide you with the opportunity to review your property data or get answers to questions about your preliminary assessment prior to final certification by the state Department of Revenue. To arrange for a review of your assessment fill out the **FY 2004 Revaluation Assessment Review Form** at www.cityofboston.gov/assessing.

You can also contact the Assessing Department via email at Reval2004@cityofboston.gov or call the Assessing Department Taxpayer Referral & Assistance Center at 617-635-4287.

What is the City doing to reduce the tax burden to residential taxpayers?

Mayor Menino has filed legislation at the State House to amend state law to reduce the impact for residential taxpayers. The bill remains before the state legislature. If the bill is passed, most residential taxpayers will see the increase in their tax bill substantially reduced.

The legislation is due to be addressed in January 2004. Rather than send an actual tax bill in the Third Quarter, the City will send a PRELIMINARY tax bill to provide time for legislative action on the legislation.

The City of Boston is also providing the maximum benefits for residential property owners allowed by state law. A good example is the RESIDENTIAL and PERSONAL EXEMPTIONS available for qualified taxpayers.

As a taxpayer what can I do to help ensure that the bill before the legislature passes?

Boston's legislative delegation and the Boston City Council has already given their support to the bill. If you wish, you can call your state representative or Boston City Councilor to voice your concerns and thank them for their efforts with this legislation.

When is the Third Quarter tax bill going to be issued?

The Third Quarter tax bill will be issued in late December.

Please note: for this fiscal year (FY 2004) - the 3rd Quarter tax bill will be a Preliminary tax bill. The actual FY2004 4th Quarter tax bill will be issued in late March.

Is the value on the revaluation assessment notice going to appear on my next tax bill?

NO. You will be receiving a Preliminary 3rd Quarter tax bill in January 2004. You are responsible for paying the amount due. The new value and tax rate will appear on the 4th Quarter tax bill to be issued in late March.

Will I receive my exemptions on the Third Quarter tax bill?

For fiscal year 2004, the residential and personal exemptions will be applied to the actual bill in the 4th Quarter. Exemptions cannot be applied on preliminary tax bills under state law.

When can I file an abatement?

Under state law, the abatement filing period follows the Fiscal Year actual tax bill. This usually occurs following the issuance of the 3rd Quarter tax bill. Since the 3rd Quarter tax bill will be a PRELIMINARY bill, the abatement application period for FY 2004 will follow the 4th Quarter tax bill when the new assessment will be incorporated.